

**SUBLEASE AGREEMENT BETWEEN
THE CITY OF LINCOLN
AND
DAS / STATE BUILDING DIVISION
On Behalf Of
NEBRASKA DEPARTMENT OF EDUCATION,
VOCATIONAL REHABILITATION SERVICES**

This sublease, made as of the 1st day of January, 2010 by and between the City of Lincoln, Nebraska, a municipal corporation in the State of Nebraska, hereinafter called the Sublessor, and the Department of Administrative Services, State Building Division, representing One Stop Partner, the Nebraska Department of Education, Vocational Rehabilitation Services, under the Workforce Investment Act, acting as the Sublessee, with a principle place of business at the Executive Building, 521 South 14th Street, Suite 500, Lincoln, Nebraska 68508-2707, phone number 471-3191, attention Leasing Coordinator, hereinafter referred to as Sublessee.

WHEREAS, the Sublessor entered into a Lease Agreement with Security National Properties Funding, LLC, leasing 13,718 square feet of office space at Gold's Building, 1010 N Street, Suite 150, Lincoln, Nebraska 68508 and said lease is identified as the "Lease" and Security National Properties Funding, LLC, hereinafter may be identified as "Landlord." The Lease is made a part hereof and attached as Exhibit A.

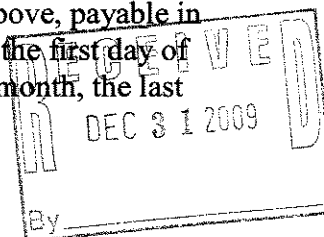
WHEREAS, the Sublessor wishes to sublet to Sublessee a portion of the City's leased area comprising 143 square feet, said portion hereinafter referred to as the "Premises."

NOW, THEREFORE, IN CONSIDERATION of the promises and mutual covenants herein set forth, the parties agree as follows:

1. Sublease of Premises. Sublessor does hereby sublease to Sublessee, and, Sublessee does hereby sublease from Sublessor, the Premises, at the rent, and upon the terms, covenants and conditions as hereby provided.
2. Term. The term of this Sublease Agreement shall commence on the 1st day of January, 2010 and shall terminate on the 31st day of December, 2011.
3. Rent. Annual rent is for 143 square feet of subleased office space. The rent schedule is:

Lease Term	Cost Per Square Foot	Monthly Rent	Total Rent
1/1/10 to 12/31/10	\$11.85	\$141.21	\$1,694.55
1/1/11 to 12/31/11	\$12.14	\$144.66	\$1,736.02

Sublessee agrees to pay the Sublessor annual rent in the amount shown above, payable in equal monthly installments as shown above, in advance, commencing on the first day of January, 2010 and continuing monthly thereafter on the first day of each month, the last



monthly installment to be due on December 1, 2011. Janitorial and utility services are to be provided and paid by the Landlord, Security National Properties Funding, LLC.

4. Leased Premises. Sublessee's rent payment represents payment for 143 square feet as apportioned below:
 - a. Occupied Space. This sublease provides Sublessee with 65 square feet of occupied space at Gold's Building, 1010 N Street, Suite 150, Lincoln, Nebraska, 68508 at the One Stop Career Center.
 - b. Common Space: Common space shall be apportioned according to the percentage of occupied space. The parties agree there is in total 5,285 square feet of occupied space and 6,373 square feet of common space. Sublessee is provided with 1.22% of occupied space. Applying that percentage to the 6,373 square feet of common space, this sublease provides Sublessee with 78 square feet of common space.
 - c. Review of space apportionment. A review of the Sublessee's occupied and common space apportionment will be reviewed on a bi-annual basis by the City and by Sublessee at a mutually agreed time to determine the accuracy of the figures. If the occupied and common space figures need to be adjusted after said review, said adjustment will be agreed upon by amendment by both the Sublessor and Sublessee and the rent shall be adjusted in accordance with the rent schedule in paragraph 3.
5. Sublessee shall be responsible for its own telephone and computer services supplied to the subleased Premises and shall agree to pay for such services.
6. Light Bulbs. If Security National Properties Funding, LLC, as the Landlord, changes and disposes of light bulbs as described in paragraph 10 of the Lease, the Sublessee agrees to pay their proportional share of the cost to the Sublessor in an amount equal to their percentage of the occupied space of the Premises area.
7. Maintenance and Alterations. Sublessee shall maintain their subleased occupied premises in a neat and clean condition. Sublessee shall not make any alterations, additions, installations or improvements.
8. Risk of Loss. The Sublessor is not in any way responsible for the property of Sublessee or any of its employees, agents, invitees, kept, stored or maintained on the premises and in no way assumes liability for any loss of property through fire, theft, pilferage, malicious mischief, or any other happening whatsoever.
9. Condition of Premises. Sublessee acknowledges that it has inspected the premises and is fully satisfied therewith. The Sublessor has made no representations or warranties with regard to the premises except as set forth herein.

10. Sublease. Sublessee shall not assign this lease without the written consent of the Sublessor and Landlord, but shall, in any event, have the right to sublet the subleased premises to any party or governmental subdivision with the approval of the Sublessor and Landlord. Sublessee shall adhere to the requirements in paragraph 19 of the Lease for approval of a sublet and give notice to the Sublessor and Landlord. The City as Sublessor and the Landlord, will respond within 10 days of receiving a request to sublet. Should the rental rate amount to a rental rate above the rental cost per square foot schedule listed in paragraph 3, Sublessee agrees that 50% of the rate above the rental rate will be provided to the Landlord and 30% of the rate above the rental rate will be provided to the City as Sublessor.

11. Indemnification. To the fullest extent permitted by Nebraska law, Sublessee shall indemnify, defend, and Hold Harmless the Sublessor, its officers, agents, and employees from and against all claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from use of the premises by Sublessee or from failure of Sublessee to keep their Premises in good condition that results in any claim for damage whatsoever, including without limitation, any bodily injury, sickness, disease, death or any injury to or destruction of tangible or intangible property, including any loss of use resulting therefrom, and that are caused in whole or in part by the intentional or negligent act or omission of Sublessee or anyone directly or indirectly employed by Sublessee, or anyone for whose acts any of them may be liable. This section shall not require Sublessee to indemnify or Hold Harmless the Sublessor for any losses, claims, damages and expenses arising out of or resulting from the negligence of the Sublessor.

12. Insurance. During the term of this agreement, Sublessor shall obtain and maintain insurance coverage naming and protecting the Sublessee and Sublessor against claims for damages resulting from (a) bodily injury, including wrongful death, (b) personal injury liability, and (c) property damage which may arise from operations in or about the premises or arising from or connected with the use, conduct or operation of this agreement whether such operations be by Sublessee or by any subcontractor or anyone directly or indirectly employed by either of them.

a. Sublessee shall obtain public liability insurance naming and protecting Sublessee and the Sublessor, its officials, employees, and volunteers as insureds, against claims for damages. The minimum acceptable limits of liability to be provided by such insurance shall be as follows:

A. Bodily Injury and Property Damage	1,000,000 each Occurrence 2,000,000 Aggregate
B. Personal Injury Damage	1,000,000 each Occurrence
C. Contractual Liability	1,000,000 each Occurrence

D. Products Liability and Completed
Operations

1,000,000 each Occurrence

- b. Sublessor acknowledges that the Sublessee, the State of Nebraska, is self-insured for general liability and workers compensation and that said self insurance satisfies paragraphs 12(a). Sublessee shall attach a copy of a self-insurance certificate to the sublease.

13. Terms and Conditions of Sublease.

- a. Binding Effect of Lease. The terms of this sublease are in regards to a portion of the premises leased by Sublessor to Sublessee, with such portion subject to the terms and conditions of the attached Lease between the City of Lincoln and Security National Properties Funding LLC, marked as Exhibit A and incorporated herein by reference. Except as to terms specifically set forth in this Sublease agreement, the Sublessee shall be bound by all of the terms and conditions and covenants to which Sublessor is bound in its capacity as "Tenant" or "Lessee" under and pursuant to the provisions of the Lease. In the event Sublessee fails to pay any rental when due or fails to keep or perform any other condition or term hereunder, Sublessee shall be subject to the default provisions of the Lease as if it were the "Tenant" or "Lessee" thereunder and Sublessor was the "Landlord" or "Lessor" and Sublessor may avail itself of any and all remedies set forth in the Lease. Sublessee hereby agrees to perform the undertakings of Sublessor (as tenant) under the Lease to the extent the same are applicable to the Premises herein; and to refrain from taking any action or suffering any condition which constitutes a violation of the Lease. It is hereby agreed, however, that Sublessor shall not be in default under this Sublease for failure to perform any work or make any repairs to the Premises or provide services or utilities which are the responsibility of the Landlord under the Lease, but Sublessor shall take all reasonable measures to ensure that Landlord performs such work and repairs.

- 14. Termination. In the event that the United States Federal Government or the State of Nebraska terminates the Workforce Investment Act Program or no funds are appropriated to the Sublessee by the United States or the State of Nebraska for the purpose of paying rentals for locating in a one stop career center under the Workforce Investment Act Program, the Sublessee shall have the right to terminate this lease upon providing written notice to the City of Lincoln of its intent to terminate which will set forth in said notice the time and date of termination and said notice shall be provided to the City at least 60 days in advance of said termination date.

- 15. Notices. Any formal notices or communications received by the Sublessor from the Landlord, Security National Properties Funding, LLC will be provided to Sublessee by providing a written copy to the Sublessee's representative located at the One Stop Career Center. Any formal notices or communications by

1. Sublessee to the Sublessor shall be in writing and mailed or personally served upon The City of Lincoln, Attention: Dan Cain, 1010 N Street, Lincoln, Nebraska, 68508.
2. This Sublease may be amended only by written agreement of both parties.
3. Capacity. The undersigned person representing Department of Administrative Services / State Building Division does hereby agree and represent that he/she is legally capable to sign this Agreement.


IN WITNESS WHEREOF, the City of Lincoln, (Sublessor) and the Department of Administrative Services, State Building Division and the Nebraska Department of Education, Vocational Rehabilitation Services (Sublessee) have executed this sublease on this _____ day of _____, 20__.

City of Lincoln
555 South 10th Street
Lincoln, Nebraska 68509
SUBLESSOR


BY _____
Chris Beutler, Mayor of Lincoln

Department of Administrative Services

BY 
Carlos Castillo, Director, Department of
Administrative Services (Sublessee)

BY 
Rodney Anderson,
Associate Administrator
(Sublessee)
DAS / State Building Division
521 South 14th Street, Suite 500
Lincoln, Nebraska 68508-2707

Mark
Schultz

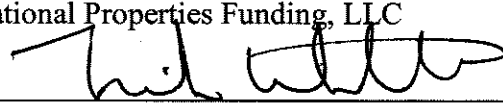
BY 
~~Frank Lloyd~~, Director
(Sublessee)
Nebraska Department of Education
Vocational Rehabilitation Services
Lincoln, Nebraska 68509-1829

All parties acknowledge that the above signature on behalf of the City of Lincoln is conditional upon the approval of the Lincoln City Council of Lincoln, Nebraska.

Security National Properties Funding, LLC hereby consents to and approves the terms of the foregoing sublease.

Security National Properties Funding, LLC

BY


~~Chad Christensen, Vice President of Real Estate~~

12-16-09

Mike Willett, Director of Leasing

LEASE AGREEMENT

The Gold's Building

Security National Properties Funding, LLC (hereinafter called "Lessor"), hereby leases to the City of Lincoln-Department of Urban Development dba One Stop Employment Solutions. (hereinafter called "Lessee"), the premises known and defined by the attached plan labeled Exhibit 'A', located at 1050 'N' Street, Suite #150, Lincoln, NE 68508, and consisting of approximately 13,718 square feet ("Leased Premises") of The Golds Building ("Building"), on the terms and conditions hereinafter set forth.

1. **LEASE TERM:** This Lease is for a term of **Ten (10) Years** commencing January 1, 2007 and ending December 31, 2016. Prior to the commencement date, Lessor agrees to remodel the Leased Premises at Lessor's expense as described in the Budget Proposal attached as Attachment A.

Lessee shall be allowed to take occupancy of the premises, in its present AS IS condition, upon execution of this Lease.

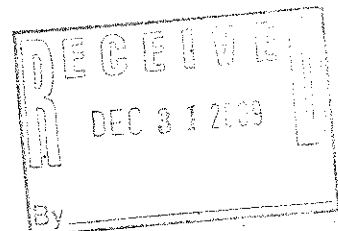
2. **SECURITY DEPOSIT:** ~~Lessee shall deposit with Lessor upon execution of this lease, and receipt of which Lessor hereby acknowledges, the sum of _____ to be held by Lessor throughout the term of this Lease as security for Lessee's performance of its obligations hereunder, and not as prepaid rent.~~

3. **BASE RENT:** Base rent shall commence **January 1, 2007**. Base rent shall represent the fixed and complete payment for said premises. Rent shall be due and payable by Lessee no later than the first of each month, thereafter, in accordance with the following schedule:

1/1/07 - 12/31/07	\$12,574.83/month	\$11.00 PSF
1/1/08 - 12/31/08	\$12,894.92/month	\$11.28 PSF
1/1/09 - 12/31/09	\$13,215.01/month	\$11.56 PSF
1/1/10 - 12/31/10	\$13,546.53/month	\$11.85 PSF
1/1/11 - 12/31/11	\$13,878.04/month	\$12.14 PSF
1/1/12 - 12/31/12	\$14,220.99/month	\$12.44 PSF
1/1/13 - 12/31/13	\$14,575.38/month	\$12.75 PSF
1/1/14 - 12/31/14	\$14,941.18/month	\$13.07 PSF
1/1/15 - 12/31/15	\$15,318.43/month	\$13.40 PSF
1/1/16 - 12/31/16	\$15,707.11/month	\$13.74 PSF

Lessee shall remit all rental payments to the following remittance address:

*Department of Urban Development-One Stop Employment Solutions
The Gold's Building - Suite 150*



SECURITY NATIONAL PROPERTIES FUNDING, LLC

**The Gold's Building
Post Office Box 90467
Chicago, IL 60696-0467**

All rent, whether expressed as basic annual rent or additional rent, together with other monies due hereunder, shall be payable to Lessor in advance on the first day of each month, either (i) by check at the remittance address of Lessor referenced above; (ii) by pre-authorized payments (debits) against Lessee's checking, savings, or other eligible accounts, Lessee hereby agreeing to promptly execute any bank forms that may be necessary to pre-authorize such debits; or (iii) in any other manner that Lessor may accept.

4. USE OF PREMISES: Lessee shall use the Leased Premises for general office use and for no other purpose.

5. AIR RIGHTS: This Lease does not grant any rights to light, view or air over adjacent property, and any diminution or shutting off of light, view or air by any structure that may be erected adjacent to the Building shall not affect this Lease or impose any obligation or liability upon Lessor.

6. CONDITION OF PREMISES; INSURANCE: The Leased Premises, its fixtures and appurtenances, including, but not limited to, glass, locks, keys, and other fastenings are received and acknowledged by Lessee to be in good order and condition. Continuously throughout the Term hereof, Lessee will keep the Leased Premises, its fixtures and appurtenances in good condition and order and will not allow any injuries or damage thereto, will conform to and comply with all laws, orders and regulations of any governmental authorities having jurisdiction over the Leased Premises; and at the end of the term hereof will surrender the Leased Premises in good condition and order as received, ordinary wear and tear excepted. *The Landlord acknowledges that the Tenant, the City of Lincoln, a political subdivision in the State of Nebraska, is self insured for general liability and workers compensation.*

7. ALTERATIONS, IMPROVEMENTS, AND CONSTRUCTION: Lessee shall not, without obtaining Lessor's prior written consent, make any alterations, additions, installations, improvements or decorations on or to the Leased Premises (collectively an "Improvement"). At such time as Lessee requests Lessor's consent to an Improvement, Lessee shall furnish to Lessor a complete set of plans and specifications for the work to be done.

Any Improvement, together with any painting, electrical, mechanical, plumbing, or carpentry work or any other labor required for the installation of tenant improvements and/or equipment (collectively, "Work") shall be done at the expense of Lessee and only by employees of Lessor or

by persons duly authorized by Lessor such determination of who performs work shall be selected after a cost comparison is performed.

In the event Lessee proposes to do any Work without using the services of Lessor's employees or authorized persons as aforesaid, Lessee shall, in addition to complying with any other applicable requirements of this Section 6, present to Lessor a description of the Work in reasonable detail and with such plans and drawings as Lessor may require, together with proof of the insurance coverage of the party proposed to do such Work, which must be in all respects satisfactory to Lessor, naming Lessor as an additional assured, and, if so required by Lessor, including bonds for payment and performance of the Work naming Lessor as an additional assured.

No Work may (i) violate any governmental regulation governing the Building, (ii) increase the insurance rating for the Building, (iii) interfere with the occupancy of Lessor or any other lessee in the Building, (iv) impose any additional expense on Lessor, (v) change, impair or weaken the structural integrity of the Building or any service systems in it.

Lessee agrees that in the event any lien is filed against the Leased Premises or the Building on account of any Work, then Lessee shall discharge such lien, by bond or payment, within ten (10) business days after the filing, all at Lessee's sole cost and expense.

All Work is and shall be owned by Lessor, and shall remain in and be surrendered with the Leased Premises at the termination of this Lease.

8. CASUALTY PROVISIONS: In the event that the entire Leased Premises, or a material portion (as hereinafter defined) thereof, are rendered unfit for occupancy due to fire, unavoidable casualty, or Act of God, either party may elect to terminate this Lease by delivering written notice to the other party within ninety (90) days of the date of such damage or destruction, in which event this Lease shall terminate as of the date of such destruction and the Lessee shall pay rent only to the time of such termination. The portion of any advance lease payment which is attributed to the period of time after this lease has been terminated in the above manner shall be refunded by the Lessor to the Lessee. If less than a Material Portion of the Leased Premises is damaged or destroyed, Lessor shall be responsible for repairing the same in a timely manner at Lessor's own expense and the rental payments shall be suspended to the extent that the Leased Premises are unfit for use by Lessee in the ordinary conduct of its business until said Leased Premises have been put in proper condition for occupancy, except that Lessor shall not be required to repair or reconstruct any personal property, furniture, trade fixtures or office equipment which are located in the Leased Premises and are removable by Lessee under the provisions of this Lease. Notwithstanding the foregoing, if the Leased Premises or any other portion of the Building is damaged by fire or other casualty resulting from the negligence of Lessee or any of Lessee's agents or employees, Lessee shall be liable to Lessor for the cost and expense of the repair and restoration of the Leased Premises or the Building caused thereby to the extent such cost and expense is not covered by insurance proceeds. "Material Portion" as used in this section shall mean that more than fifty percent (50%) of the Leased Premises, on a square footage basis, have been rendered unfit for use by Lessee in the ordinary conduct of its business as a result of the fire or other casualty.

9. SUBROGATION: Lessor and Lessee shall make no claim for recovery, one against the other, and each expressly waives any right of recovery, one against the other, for damage to or loss of the Leased Premises, any improvements thereon, and contents therein, which damage or loss may arise by fire or any other peril covered by any policy of insurance in which said policy or

policies Lessor or Lessee is or may be the assured and when said loss is caused by or results from any acts or carelessness or negligence of either Lessor or Lessee, their agents, employees or other persons under their respective control.

10. REPAIRS TO THE PREMISES: Lessor agrees to maintain and make all necessary repairs to the roof, structural elements, exterior walls, exterior doors, exterior windows, exterior corridor windows, and corridors of the building. Lessor agrees to keep the exterior and interior of the Building housing the leased premises in a safe, clean, neat and attractive condition. Lessor agrees to keep all Building equipment such as elevators, plumbing, heating, ventilating, air conditioning, and similar equipment in good repair, but Lessor shall not be liable or responsible for breakdowns or temporary interruptions in service where reasonable efforts are used to restore service. Lessor agrees to maintain and make repairs, if necessary, to interior walls, floors, glass and ceilings. Lessor agrees to make the original installation of all light bulbs, fluorescent and incandescent which are required for the leased premises at the inception of this lease. Lessee agrees to pay for replacement of all light bulbs, fluorescent, and incandescent on an as needed basis during the term of the lease. The Lessee will pay for the Lessor's time, materials and disposal fees to change and dispose of the lightbulbs.

Lessee agrees that it will pay for any repairs to the Leased Premises or Building made necessary by the negligence or willful misconduct of the Lessee or its employees, agents or visitors.

11. SERVICE AND UTILITIES: Lessor shall pay for all utilities servicing the leased premises which shall include but not be limited to all water, heat, air conditioning, electricity, janitorial service and other utilities, excluding telephone and Internet. Lessor agrees to furnish the leased premises with (a) water and electricity suitable for general office purposes, (b) heat and air conditioning in an amount for the comfortable occupation of the premises, and (c) daily janitorial service during the times and in the manner that such services are, in lessor's judgment, customarily furnished in comparable office buildings in the downtown Lincoln area.

12. BUILDING DIRECTORY; SIGNAGE: Lessor will maintain a Building Directory in the entrance lobby of the Building with names and addresses of the tenants of the Building including Lessee properly numbered and lettered, but any changes in Lessee's listing thereon will be at Lessee's expense. In all other respects all signage in or about the Building, including all walls, doors, or windows of the Leased Premises visible from outside the Leased Premises, shall in style, content and all other matters be subject to the exclusive control of Lessor, except that Lessee may, at its expense, have one (1) building standard sign situated near the entrance to the Leased Premises, containing the name and suite number of Lessee. It is specifically agreed and understood that Lessee shall be prohibited from placing any signs or other forms of advertisement on the inside or outside of any exterior windows. Some signage requests that exceed building standard, at management's discretion, will be billed back to Lessee.

13. KEYS: Lessee will be supplied, free of charge, with two (2) keys for each corridor door entering the Leased Premises, and additional keys will be furnished at a reasonable charge by Lessor on an order signed by Lessee or Lessee's authorized representative. All such keys shall

remain the property of Lessor. No additional locks shall be allowed on any door of the Leased Premises, and Lessee shall not make, or permit to be made, any duplicate keys, except those furnished by Lessor. Upon termination of this Lease, Lessee shall surrender to Lessor all keys of the Leased Premises, and give to Lessor the explanation of the combination of all locks for safes, safe cabinets and vault doors, if any, in the Leased Premises.

14. LIABILITY; INDEMNITY; INSURANCE: To the fullest extent permitted by law, the Lessee shall indemnify, defend and Hold Harmless the Lessor, its officers, agents and employees from and against all claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from the use of the Leased Premises by the Lessee that results in any claim for damage whatsoever, including without limitation, any bodily injury, sickness, disease, death or any injury to or destruction of tangible or intangible property, including any loss of use resulting therefrom, and that are caused in whole or in part by the intentional or negligent act or omission of the Lessee or anyone directly or indirectly employed by the Lessee or anyone for whose acts any of them may be liable. This section shall not require the Lessee to indemnify or Hold Harmless the Lessor for any losses, claims, damages and expenses arising out of or resulting from the negligence of the Lessor.

Similarly, to the fullest extent permitted by law, the Lessor shall indemnify, defend, and Hold Harmless the Lessee its officers, agents and employees from and against all claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from the use or maintenance of the Premises or Building by the Lessor that results in any claim for damage whatsoever, including without limitation, any bodily injury, sickness, disease, death or any injury to or destruction of tangible or intangible property, including any loss of use resulting therefrom, and that are caused in whole or in part by the intentional or negligent act or omission of the Lessor or anyone directly or indirectly employed by the Lessor or anyone for whose acts any of them may be liable. This section shall not require the Lessor to indemnify or Hold Harmless the Lessee for any losses, claims, damages and expenses arising out of or resulting from the negligence of the Lessee.

15. ACCESS TO PREMISES: Lessor and Lessor's agents shall have the right at all times to enter the Leased Premises, by pass key or otherwise, to examine same; or to make such repairs, decorations, additions or alterations as may be necessary for the safety, betterment, improvement and/or preservation thereof, or of the Building; or to show the Leased Premises for rental purposes; or to do any other act that Lessor is permitted to do under this Lease. No action taken by Lessor or Lessor's agents under this Section 18 shall in any manner affect the obligation of the Lessee hereunder.

16. SALE AND ASSIGNMENT: Lessor shall have full right to sell or assign its interest in and rights to this Lease to any other person, firm or corporation capable of accepting such sale or assignment. In the event that the purchaser or assignee expressly covenants and agrees to accept and assume all the covenants, conditions and stipulations of the Lease and to comply with and be bound thereby, and to assume all liability of Lessor theretofore or thereafter arising, then Lessor shall thereupon be released from all liability under this Lease, and thereafter all liability in respect thereof shall rest upon the assignee alone. Any purchaser or assignee from Lessor may, subject to

the provisions hereof and upon the same terms and conditions, sell or assign his or its interest in and rights to this Lease and like subsequent assignments may be made from time to time by anyone at any time owning such interest in and rights to this Lease.

17. SUBORDINATION: The Lessor reserves the right to subject this Lease, at all times, to the lien of any mortgage or mortgages hereafter placed upon the Building by Lessor, its successors or assigns, and Lessee hereby agrees that this Lien and its rights hereunder shall be subordinate and inferior to any such mortgage or mortgages and the rights of any mortgagee thereunder, automatically and without the need for any further documentation, provided, however, as a condition to the subordination, so long as Lessee is faithfully discharging its obligations under this Lease, its tenancy shall not be disturbed, nor shall this Lease be affected by any default under such mortgage, and in the event of foreclosure or any enforcement of any such mortgage, the purchaser at such foreclosure sale shall be bound to Lessee for the term of this Lease, and the rights of Lessee hereunder shall expressly survive, and this Lease shall in all respects continue in full force and effect so long as Lessee performs all of its obligations hereunder. Notwithstanding, the Lessee covenants and agrees to execute and deliver upon demand of the Lessor, its successors or assigns, such further instruments subordinating this Lease to the lien of any such mortgages, on the terms and conditions provided above, whenever same shall be desired or requested by any mortgagee or proposed mortgagee, or by Lessor.

18. ESTOPPEL CERTIFICATE: Lessee agrees that within ten (10) days of being requested to do so by Lessor or any mortgagee or proposed mortgagee, it will execute and acknowledging the status of this Lease and the performance of Lessor's obligations under this Lease as of the date of such estoppel certificate.

19. ASSIGNMENT AND SUBLETTING: Lessee will not sell, assign, mortgage or transfer this Lease ("assignment"), or allow any lien upon the Lessee's interest by operation of law, without the prior written consent of the Lessor. Lessee shall by notice in writing advise Lessor of its intention from, on, and after a stated date (which shall not be less than thirty (30) days after date of Lessee's notice) to enter into an assignment for the balance or any part of the term, and, in such event, Lessor shall have the right, to be exercised by giving written notice to Lessee thirty (30) days after receipt of Lessee's notice to cancel and terminate this Lease with respect to any or all of the space therein described, as of the date stated in Lessee's notice. Lessee's said notice shall state the name and address of the proposed assignee and a true and complete copy of the proposed assignment shall be delivered to Lessor with said notice. If Lessee's notice shall cover all of the Leased Premises, or if Lessor shall give its aforesaid notice to be restored to possession with respect to all of the Leased Premises, the term of this Lease shall expire and end on the date stated in Lessor's notice as fully and completely as if that date had been herein definitely fixed for the expiration of the term. If, however, this Lease be canceled pursuant to the foregoing with respect to less than the entire Leased Premises, the rent and all escalations herein reserved shall be adjusted on the basis of the number of square feet retained by Lessee in proportion to the number of square feet contained in the Leased Premises, as described in this Lease, and this Lease as so amended shall continue thereafter in full force and effect. If Lessor, upon receiving Lessee's said notice with respect to any such space, shall not exercise its rights to cancel as aforesaid Lessor shall still have the right to withhold its consent to Lessee's assigning the space covered by its notice but such

consent shall not be unreasonably withheld. In the event Lessee elects to assign as stated above, and such assignment is approved by Lessor, and further if such assignment results in a profit to Lessee, the Lessee and Lessor shall share equally in all profits realized from such assignment. Lessee shall have the right to sublet the premises to any party or governmental subdivision with the approval of the Lessor. Lessee shall submit in writing a request to sublet said Premises to Lessor. Lessor agrees to respond within ten (10) days from receiving said request. Any Sub Lessee of the Lessee must agree to abide by all of the terms and provisions of this Lease. Should the rental rate of a Sub Lessee of the Lessee amount to a rental rate above the rates specified in paragraph 3, Lessee agrees that 50% of the rate above the rental rate will be provided to Lessor.

Any subletting or assignment hereunder shall not release or discharge Lessee of or from any liability, whether past, present or future, under this Lease, and Lessee shall continue fully liable hereunder. The sublessee or sublessees or assignee shall agree to comply with and be bound by all of the terms, covenants, conditions, provisions and agreements of this Lease to the extent of the space sublet or assigned, and Lessee shall deliver to Lessor promptly after execution, an executed copy of each such sublease or assignment and an agreement of compliance by each such sublessee or assignee.

Anything herein to the contrary notwithstanding, Lessee shall have absolutely no right to sublet or assign any part of the Leased Premises to any person then leasing or occupying space in the Building without the Lessor's approval which will not be unreasonably withheld.

Any attempted sale, assignment, mortgage, transfer, or subletting of this Lease which is not in compliance with the provisions of this Paragraph shall be of no effect and void.

20. DEFAULT; LESSOR'S LIEN; ATTORNEY'S FEES: In case Lessee fails to pay any installment of rent punctually when due, or fails to perform on demand, or violates any of the covenants, conditions, provisions or agreements herein contained, or if petition in bankruptcy shall be filed by or against Lessee, or if Lessee becomes insolvent, or if proceedings are taken by or against Lessee looking to the appointment of a receiver or syndic, or for a respite, or if Lessee, without the written consent of Lessor, closes the Leased Premises or discontinues active business therein for a period of five (5) consecutive business days, or abandons, vacates or misuses the Leased Premises, or makes or attempts to make any sale or removal of the principal part of the merchandise, movables or contents in the Leased Premises on which Lessor has a lien, or by any other means attempts to deprive Lessor of its lien thereon, or denies Lessor the opportunity of showing the Leased Premises to prospective tenants, as herein stipulated, then in said events or any of them, Lessor may, ten days after written notice of the default from Lessor to Lessee and if such default has not been corrected, at Lessor's option, without any putting in default: (1) proceed for past due installments of rent, reserving its right to proceed later for the remaining installments, or (2) declare all of the unpaid installments of rent at once due and exigible, and the whole thereof shall become and be immediately due and payable, anything herein to the contrary notwithstanding, and proceed to enforce its legal remedies hereunder; or (3) cancel this Lease, and immediately expel Lessee, without, however, waiving Lessor's right to collect from Lessee any damages suffered by Lessor together with all installments of rent and all other payments due and owing for the period up to the time Lessor regains occupancy. Lessee hereby assents thereto and waives all legal notice to vacate the Leased Premises. Lessor may remove, or cause to be removed, all effects from the Leased Premises and store the same in Lessor's or Lessee's name, but at the cost, expense

and risk of Lessee, without liability to Lessor for loss or injury thereto, and without prejudice to Lessor's lien and privilege securing all the sums aforesaid. Failure to strictly and promptly enforce any of the above rights shall not operate as a waiver of any of Lessor's rights, Lessor expressly reserving the right always to enforce all of the terms of this Lease, or to exercise the option above set forth, as well as all rights belonging to Lessor by law, regardless of any extension or indulgence previously granted. In the event that the Lessor, after written notice from the Lessee indicating that Lessor has failed to comply with any requirements of this lease in regard to a specified condition, shall fail, refuse or neglect to comply therewith, within thirty (30) days of written notice thereof from Lessee to Lessor, or in the event of any emergency constituting a hazard to the health or safety of the Lessee's employees, property or invitees, the Lessee may perform such maintenance or make such repair at its own cost and, in addition to any other remedy the Lessee may have, may deduct the amount thereof from the rent that may then be or thereafter become due.

Should counsel be employed to enforce the obligations or rights of either party in court, attorney fees are allowed to the successful party in litigation where provided by Nebraska state statute. The parties agree that state statute does not allow for recovery of attorney fees.

21. HOLDOVER: If, upon the termination of this Lease, whether by expiration or cancellation, Lessee shall, for any reason whatsoever, fail, neglect or refuse to vacate or deliver possession of the Leased Premises to Lessor, then Lessee shall be obligated for and shall pay to Lessor, by way of liquidated damages, and not as a penalty, two (2) times the rental per day stipulated herein for each day that Lessee, its agents or employees, may occupy any part of the Leased Premises, after the day on which the Lease is so terminated; but the provisions of this clause shall not operate as a waiver by Lessor of any right of re-entry hereinbefore provided; nor shall any waiver by Lessor of Lessor's right to terminate this Lease for breach of covenant affect Lessor's right to terminate this Lease for any later breach of the same or another covenant; and this Lease shall not be considered reconducted but instead Lessee, its agents and employees shall be considered to occupy the Leased Premises at the will of Lessor.

22. WAIVER: No waiver of any condition expressed in this Lease shall be implied from any neglect or delay of Lessor to declare a forfeiture, or exercise any other remedy hereunder on account of the violation of such condition, and no express waiver shall affect any condition other than the one specified in such waiver and then only for the time and in the manner as such waiver specially stated.

23. CHOICE OF LAW: All rights and remedies of Lessor under this Lease shall be cumulative and none shall exclude any other rights or remedies allowed by law; and this Lease is declared to be a Nebraska contract and, as such, all of the terms hereof shall be construed according to the laws of the State of Nebraska.

24. NOTICES: Any notice to be given under this Lease by Lessor to Lessee shall be in writing and considered duly given when sent by certified mail or express mail service, with postage prepaid and return receipt requested; or, sent by a nationally utilized overnight delivery service; or, left at the Leased Premises. Lessee's contact information is as follows:

*Department of Urban Development-One Stop Employment Solutions
The Gold's Building - Suite 150*

City Clerks' Office, 555 S. 10th Street, Lincoln, NE 68508
Attention: Dan Cain, Workforce Development Department

Any notice to be given under this Lease by Lessee to Lessor shall be considered as duly given, if made in writing and sent by certified mail or express mail, with postage prepaid and return receipt requested to: **Post Office Box 1028, Eureka, CA 95502-1028**; or, by nationally utilized overnight delivery service to: **323 Fifth Street, Eureka, CA 95501**. Any notice shall be deemed given when delivery is received or refused, as the case may be. A party may change its address for notice purposes by giving the other party notice of the new address, provided that the new address must be at a place in the continental United States where the mails, telegrams, facsimile transmissions, hand deliveries and deliveries by private delivery services are regularly delivered. The change of address shall be effective on the date specified therefor in the notice, provided that the effective date shall not be sooner than fifteen (15) days after notice thereof is received.

25. GOVERNMENTAL REQUIREMENTS; ACTIVITY ON PREMISES: Lessor shall, at its expense, on the Commencement date of the lease and thereafter, assure that the Leased Premises and Building complies with all applicable laws, rules and regulations, whether federal, state or local law, including, but not limited to, fire/life safety codes, building and maintenance codes, applicable laws of duly constituted public authorities and the Americans with Disability Accessibility Act, 42 U.S.C. 12101 et seq., affecting the Leased Premises, or the use thereof, or the Building and sidewalks adjacent thereto. Lessee shall not conduct, nor permit to be conducted, on the Leased Premises any business that is contrary to the use for which this Lease is granted and, in any event, any business which is contrary to any laws of any governing authority having jurisdiction over the Leased Premises. Lessee further agrees that it shall have sole responsibility for assuring that the business conducted on the leased premises shall at all times comply with all applicable laws, rules and regulations, whether federal, state, or local, including, without limitation, the American Disabilities Act, 42 U.S.C. 12101 et seq. Lessee shall not conduct any auction sale in the Leased Premises; Lessee shall not sell or advertise to sell goods upon the installment plan, and shall not solicit, nor cause, or permit to be solicited any customers by any person stationed in or about the entrance or corridors of the Leased Premises, or on the sidewalk or street in the neighborhood of the Building. Lessee agrees not to make any unusual noises in the Building or permit any of Lessee's agent, employees or visitors to do so, and further agrees not to play or permit to be played or used any musical instrument, phonograph, or radio in the Leased Premises that disturbs any other tenant or occupant of the Building, cause or permit Lessee's agents, employees or visitors to do so, and agrees not to cause or permit any unusual odors to be produced in the Leased Premises. No animals, birds or bicycles shall be brought or kept in or about the Building.

26. SIDEWALKS; ELEVATORS; HALLWAYS: Neither Lessee, its agents, employees or visitors, shall obstruct or use the sidewalks, entries, passages, vestibules, halls, elevators or stairways of the Building for any other purpose than ingress and egress to and from the Leased Premises or throw or sweep or put anything out of the windows or doors, or in the passages or corridors of the Building. Lessee shall not allow anything to be placed on the outside window ledges of the Leased Premises, nor shall Lessor, its agents or employees, throw anything out of the windows of the Building.

27. CONSTRUCTION RESTRICTIONS: Lessee shall neither cover nor obstruct the sashes, doors, windows, or any light or skylights that reflect or admit light into the halls or other parts of the Building, nor display, inscribe, paint or affix on the window glass and the glass on the sash and sash doors of the Leased Premises signs or notices except those of such size, content, color and style as Lessor shall determine may be inscribed, painted or affixed thereon. Lessee shall not otherwise mark, paint, drill into or in any way deface the windows, doors, walls, ceiling, partitions, floors, or the wood, stone, or aluminum work of the Building, and shall not put therein any spikes, hooks, screws or nails.

28. EFFECTS OF USAGE ON INSURANCE: Lessee will not use in any way or permit on the Leased Premises, anything that will invalidate the policies of insurance now or hereafter carried on the Building, or that will increase the rate of insurance on the Leased Premises, or on the Building of which the Leased Premises are a part

29. FLOOR LOADING: Lessor reserves and shall have the right and power (but not the obligation) to prescribe the weight and position of iron safes, files, equipment and any other heavy objects in order to distribute the weight properly so that no damage is done from overloading of floors.

30. FREIGHT DELIVERY: No freight, furniture, packages or bulky matter of any description will be received in the Building or carried up or down in the elevators except during such hours as the management may prescribe, and except in those elevators specifically designated by Lessor for such purposes.

31. CONDUIT AND CABLING: Neither Lessee, its clerks, agents or servants, shall bring into the Building, without the written consent, and under the direction of Lessor, gas pipes or any telephone, telegraph or electric wires for any purpose.

32. NO CHANGE IN OWNERSHIP OF LESSEE: In furtherance of the prohibition against assignment set forth in Section 22 above, Lessee hereby agrees that, except that if Lessee is a publicly traded corporation, any transfer, donations, or sale of all or any part of the legal or equitable ownership in the entity comprising Lessee shall be prohibited, as provided below, and violation of this prohibition shall constitute a default under this Lease.

If Lessee is a corporation, there shall be no transfer, sale, or donation of any share of any class of stock in Lessee without the prior written permission of Lessor in its sole discretion, except for transfers to spouses or to descendants of the first degree. Nor shall there be permitted any issuance of any additional stock or any issuance of any treasury stock not issued and held by a shareholder as of the date of execution of this Lease.

If Lessee is a partnership there shall be no transfer, sale, or donation of any ownership interest in Lessee without the prior written permission of Lessor in its sole discretion, except for transfers to spouses or to descendants of the first degree. Nor shall there be permitted any issuance of any additional ownership interest in the partnership comprising Lessee.

33. RULES AND REGULATIONS: Lessor reserves the right, from time to time, to make such other reasonable rules and regulations as in the judgment of Lessor may become necessary or desirable for the safety, proper care and cleanliness of the Leased Premises, and/or the Building, or to preserve, maintain or promote the character and reputation of the Building, or for any other reasonable or desirable purpose. Lessee shall be notified of all regulations in writing, and such regulations shall thereupon become a part of this Lease, and Lessee hereby agrees to fully observe the same to the extent as if the same had been originally incorporated herein.

34. LIABILITY IN SOLIDO: In the event that there be more than one person named as Lessee herein, each Lessee binds himself in Solido with all the others for the payment of the rent, and for the performance of all of the covenants, agreements, stipulations, and conditions herein contained, in accordance with the terms hereof.

35. HEADINGS: The headings of the sections, subsections, and paragraphs of this Lease are inserted for convenience of reference only and shall not be deemed to constitute a part hereof.

36. ENVIRONMENTAL MATTERS: Lessee agrees not to cause any hazardous materials, toxic substances or related materials (collectively, "Hazardous Materials") to be used, generated, stored or disposed of on, under or about, or transported to or from, the Leased Premises (collectively, "Hazardous Material Activities") without first receiving Lessor's written consent, which may be withheld for any reason whatsoever and which may be revoked at any time, and then only in compliance (which shall be at Lessee's sole cost and expense) with all applicable regulations and using all necessary and appropriate precautions. Lessee shall be liable to Lessor for any Hazardous Material Activities by Lessee, Lessee's employees, agents, contractors, licensees or invitees, Lessee shall indemnify, defend with counsel acceptable to Lessor or hold Lessor harmless from and against any claims, damages, costs and liabilities arising out of Lessee's Hazardous Materials Activities on, under or about the Leased Premises, Lessor shall not be liable to Lessee in any regard in connection therewith, regardless of whether or not Lessor has approved Lessee's Hazardous Materials Activities, For the purposes of this Section, Hazardous Material shall include but not be limited to substances defined as "hazardous substances" or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sec. 9061 et seq.; Hazardous Material Transportation Act, 49 U.S.C. Sec. 1802; Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6901 et seq.

37. MEMORANDUM OF LEASE: Lessor and Lessee agree that upon request by the other and at the sole cost and expense of the requesting party, each of Lessor and Lessee will execute and deliver to the requesting party a "memorandum of lease" in form sufficient to record in the

conveyance office of Lancaster County, Nebraska, which recordation shall be achieved by the requesting party at its expense.

38. COMMISSION: Lessor and Lessee represent and warrant that they have not dealt with any brokers, finders or agents in connection with the negotiations or consummation of this Lease.

39. PROHIBITION AGAINST LEASEHOLD MORTGAGE: Lessee shall not, without Lessor's prior written consent, grant, assign, create or confer a security interest in Lessee's leasehold right, title and interest in this Lease or the Leased Premises.

40. EMINENT DOMAIN: In case the whole of the Leased Premises, or such part thereof as shall substantially interfere with Lessee's use and occupancy thereof, shall be taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain, and sold pursuant to such taking, either party shall have the right to terminate this Lease effective as of the date possession is required to be surrendered to said authority. Lessee shall not assert any claim against Lessor or the taking authority for any compensation because of such taking, and Lessor shall be entitled to receive the entire amount of any award without deduction for any estate or interest of Lessee. In the event the amount of property or type of estate taken shall not substantially interfere with the conduct of Lessee's business, but other portions of the Building are taken such to render ownership of same undesirable as determined by Lessor in its discretion, Lessor shall be entitled to the entire amount of the award without deduction for any estate or interest of Lessee, and Lessor at its option may terminate this Lease. If Lessor does not elect to do so, proportionate allowance shall be made to Lessee for the rent corresponding to the time during which, and to the part of the Leased Premises of which, Lessee shall be so deprived on account of such taking and restoration. Nothing contained in the Paragraph shall be deemed to give Lessor any interest in any award made to Lessee for the taking of personal property and fixtures belonging to Lessee.

41. WRITTEN AMENDMENT REQUIRED: This Lease may not be amended or modified except by an instrument in writing signed by Lessor and Lessee.

42. NO PARTNERSHIP: The relationship of the parties to this Lease is that landlord and tenant, and is not intended and shall not be construed to create a partnership, joint venture, debtor/creditor or other legal relationship.

43. PROVISIONS BINDING UPON SUCCESSORS: The provisions of this Lease shall be binding upon and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors, assigns and nominees.

44. TENANT IMPROVEMENTS: Lessor shall, at its own cost and expense, undertake to perform the improvements and upgrades set forth in the Work Letter, hereto attached, in the Leased

Premises as Attachment A. Such improvements are estimated to be \$12,000.00. Lessor shall make every effort to have the improvements and upgrades completed by November 30, 2006.

45. REAL ESTATE TAXES: Lessor covenants that it will pay all real estate taxes and assessments levied or assessed against the Building, if any, prior to delinquency. Upon request, Lessor shall provide Lessee with a copy of the receipt evidencing payment of all such taxes and assessments.

46. TERMINATION: In the event that the United States Federal Government or the State of Nebraska terminates or cancels the Workforce Investment Act Program or no funds are appropriated to the Lessee by the United States or the State of Nebraska for the purpose of paying rentals on the premises pursuant to the Nebraska Workforce Investment Act Program or the Lessee is no longer designated as the One Stop Operator for the Greater Lincoln Workforce Investment Area or no City of Lincoln funds are appropriated to the Lessee for the purpose of paying rentals, the Lessee shall have the right to terminate this lease upon providing written notice to Lessor of its intent to terminate which will set forth in said notice the time and date of the termination. Such notice to terminate shall be provided to Lessor at least 60 days in advance of said date of termination.

IN WITNESS HEREOF, Lessor has hereunto caused its name to be signed by its proper officer thereunto duly authorized, and Lessee has signed these presents, on the date written below.

LESSOR: SECURITY NATIONAL PROPERTIES FUNDING, LLC

By: Chad R. Christensen
Vice President of Real Estate

11/28/06
Date

LESSEE: City of Lincoln-on behalf of Urban Development Department dba
One Stop Employment Solutions

By: Colleen J. Seng
Mayor Colleen J. Seng,
City of Lincoln, Nebraska

11/22/06
Date

